



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

March 10, 2010

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

COUNTY CELL PHONE USAGE - STATUS REPORT NO. 2 (ITEM NO. 3, AGENDA OF JANUARY 4, 2011)

On January 4, 2011, on motion by Mayor Antonovich and Supervisor Molina, your Board directed the Chief Executive Officer (CEO), Auditor-Controller (A-C) and the Director of the Internal Services, to:

1. Ensure that the Department of Children and Family Services (DCFS) immediately implements the seven recommendations contained in the A-C's DCFS' Cellular Phone Audit report (Report) dated December 21, 2010; and report back to the Board within 30 days on the DCFS' progress in implementing each recommendation;
2. Direct each Department Head to conduct an internal review of controls over their department's County cellular telephones and data cards; identify any issues similar to those noted in the Report; and report back to the CEO within 30 days with the results of those reviews;
3. Direct each Department Head to review and immediately implement, as applicable, the findings and recommendations contained in the Report;
4. Develop and implement a uniform Countywide policy for adherence by all County departments to ensure that proper controls are in place for the issuance and use of County cellular phones and data cards; and consult with the Internal Services Department (ISD) on innovations to be included in Countywide policy, such as pooling minutes or data access for all departmental users to reduce call charges;

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5. Coordinate a follow-up audit by the A-C of a sample of departments to verify that they have implemented and are complying with internal controls and policies on the issuance and use of County cellular telephones and data cards; and comprehensively report back within 12 months on the results of the follow-up audit; and
6. Direct the CEO and ISD to report back on whether 2,400 tablet devices are being utilized by DCFS staff.

On February 4, 2011, this Office provided a status report indicating that we had surveyed departments regarding the results of their departmental cellular phone audits and would return with information as to findings from the departmental audits including any weaknesses identified, and implementation plans for corrective actions. We also indicated we would report back on the following:

- Recommendations for efficiencies and/or best practices;
- The possibility of providing a monthly cell phone stipend in lieu of a County- issued cell phone;
- An analysis of the feasibility of significantly reducing the number of cell phones issued by the County, similar to the recent Executive Order issued by Governor Brown; and
- A draft countywide Cell Phone Policy which we would initially submit for Audit Committee consideration.

As to the departmental cellular phone audits conducted in response to the A-C audit of DCFS, in general, most departments have adequate internal controls regarding cellular phone and data card usage. Specifically, our survey found the following results from 37 departmental surveys:

- Twenty-two departments have a detailed cellular phone policy;
- Eight departments plan to implement a new Policy or enhance their existing policy based on the recommendations of the DCFS audit;
- Four departments specifically follow the cellular phone policy guidelines of the County Fiscal Manual; and
- Three departments do not have County-provided cell phones.

Departments did identify several areas addressed in the A-C's audit of DCFS that were not consistently being applied in their department, including the following:

- Cell phone and data card inventories were not consistently reconciled;

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- Delays in cancelling lost or stolen phones;
- Inconsistent review of cell phone plans to ensure appropriate service level and add-on features;
- Inconsistent analysis of phone bills to ensure personal use was reimbursed by employees; and
- Continued payment of service fees on unused or minimally used cell phones and data cards.

While most departments have a formal policy or follow the cell phone policy section in the County Fiscal Manual, there are inconsistencies and differing departmental standards. Departments that did identify deficiencies are now working on or have completed corrective action plans. We believe the most comprehensive solution is to develop the consistent, countywide policy identified in your Board's January 4, 2011 directive.

Our final report will recommend efficiencies and/or best practices, an analysis of providing cell phone stipends, a recommendation for a countywide reduction of the number of devices provided, and a draft Board Policy entitled "Cell Phone and Data Card Usage," which will then be presented to the Audit Committee for their review.

Please let me know if you have any questions, or your staff may contact Martin Zimmerman at 213.974.1326, or mzimmerman@ceo.lacounty.gov.

WTF:ES:MKZ
FC:JH:ib

c: Executive Office, Board of Supervisors
Auditor-Controller
County Counsel
Chief Information Office
Internal Services Department